

months in a year, so Taylor will have the loan for  $6/12$  or  $\frac{1}{2}$ , or .5 of the year. Thus, Taylor will multiply  $\$300 * .5 * .06$  to find that she will owe \$9.

## Practice Set #2

What fraction of a year are the following times, assuming there are 360 days in a year?

1. 180 days \_\_\_\_\_
2. 90 days \_\_\_\_\_
3. 365 days \_\_\_\_\_
4. 3 months \_\_\_\_\_
5. 9 months \_\_\_\_\_

## Practice Set #3

Complete the table below.

	Principal	Rate	Time	Interest
i.e.	\$300.00	6%	6 months	\$9
1	\$4500.00	9%	180 days	
2	\$800.00	5%	90 days	
3	\$3,000.00	10%	365 days	
4	\$9,500.00	12%	3 months	
5	\$1,000.00	10%	9 months	
6	\$45,280.00	14%	6 months	

## Building Block 3 (Correctly calculating the interest rate in percent)

Students often have trouble expressing the interest rate as a decimal to use in their calculations. This building block is intended to eliminate that mistake. To convert the interest rate as a percent to decimal, simply divide by 100 as the following examples show.

Interest Rate As a Percent	Divide by 100	Interest Rate As a Decimal
10%	10/100	.10
6%	6/100	.06
6.25%	6.25/100	.0625
125%	125/100	1.25